

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 00109 031734Z

45

ACTION NEA-12

INFO OCT-01 ISO-00 SCEM-02 SCI-06 EB-11 COME-00 INT-08

TRSE-00 OMB-01 CIAE-00 DODE-00 INR-10 NSA -00 PA-04

RSC-01 USIA.-15 PRS-01 SPC-03 DRC-01 /076 W

----- 010209

R 031644Z JAN 74

FM AMEMBASSY NEW DELHI

TO AMEMBASSY JIDDA

INFO SECSTATE WASHDC 8787

LIMITED OFFICIAL USE NEW DELHI 0109

E.O.: 11652: DECLASSIFY UPON RECEIPT -N/A

TAGS: ENRG, IN

SUBJECT: PETROLEUM

THE FOLLOWING EDITORIAL FROM THE NATIONAL HERALD, THE NEHRU FAMILY CONTROLLED NEWSPAPER, IS TYPICAL OF NUMEROUS EDITORIALS APPEARING IN THE INDIAN PAPER. ALL BLAME "THE ARABS" RATHER THAN IRAN FOR THE RECENT PRICE INCREASE.

"ARAB OIL STRATEGY

"THE ARABLEADERS' DECISION TO RAISE OIL PRODUCTION BY TEN PER* CENT, INSTEAD OF REDUCING IT BY FIVE PER CENT AS DESCRIBED EARLIER, WILL BE WELCOMED BY THE REST OF THE WORLD. IT IS APPARENT THAT THE ARAB COUNTRIES ARE HAVING SECOND THOUGHTS ON THEIR OIL STRATEGY WHICH HAS HAD ITS EFFECTS ON THEIR FOES AS WELL AS FRIENDS. ALL ARAB STATES ARE OF THE VIEW THAT ISRAEL AND HER SUPPORTERS SHOULD BE PUNISHED BUT SOME OF THEM HAVE BEGUN TO REALIZE THAT THE INDISCRIMINATE USE OF OIL AS A POLITICAL WEAPON IS UNJUSTIFIED. EVEN A COUNTRY LIKE IRAQ HAS COME OUT OPENLY IN SUPPORT OF WEST EUROPEAN COUNTRIES. MR. SADDAM HUSSEIN, DEPUTY SECRETARY-GENERAL OF THE REGIONAL LEADERSHIP OF THE ARAB BAATH SOCIALIST PARTY, HAS SUGGESTED THAT THE ARABS' OIL POLICY SHOULD NOT WEAKEN THEIR RELATIONS WITH WEST EUROPE. HE HAS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 00109 031734Z

POINTED OUT THAT "THANKS TO THE INDEPENDENT POLICAL LINE FOLLOWED

BY DE GAULLE, WEST EUROPE STARTED GRADUALLY TO HEAD FOR RELATIVE INDEPENDENCE OF THE AMERICAN POSITION IN MANY ASPECTS, INCLUDING THE ATTITUDE TO THE ARAB CAUSE." ACCORDING TO HIM, THIS DEVELOPMENT, REGARDLESS OF THE OPINIONS AND ASSESSMENTS CONCERNING IT, IS IN THE INTEREST OF THE ARABS. HE IS ALL FOR ARAB-EUROPEAN REACTIONSBASED ON EQUALITY, MUTUAL RESPECT AND COMMON BENEFITS.

"WEST EUROPE IS A RECENT SUPPORTER OF THE ARABS WHILE COUNTRIES LIKE INDIA HAVE BEEN BACKING THEM EVER SINCE THE ARAB-ISRAELI CONFLICT BEGAN. MOST OF THE ARAB COUNTRIES ARE AWARE OF THIS, AND THEY WILL NOT BE INCLINED TO INFILCT WOUNDS ON THEIR SUPPORTERS EVEN INADVERTENTLY. EVEN SOME STAUNCH SUPPORTERS OF THE ARABS HAVE BEGUN TO QUESTION THEIR OIL STRATEGY. IF OIL PRODUCTION IS REDUCED, ITS EFFECTS WILL BE ADVERSE ON OIL CONSUMERS ALL OVER THE WORLD. IF ITS PRICE IS RAISED ITS EFFECTS WILL BE WORSE ON POOR COUNTRIES THEN ON THE RICH. JAPAN, THE UNITED STATES, WEST EUROPEAN COUNTRIES CAN BUY OIL AT EXORBITANT RATES BUT THAT IS NOT THE CASE WITH THE DEVELOPING COUNTRIES. AUCTIONING OF OIL IS NOTHING BUT PROFITERRING, AND IT HAS NOTHING TO DO WITH THE ARAB-ISRAELI CONFLICT. IN OTHER WORDS, SOME OF THE ARAB COUNTRIES ARE USING THE WEST ASIA CRISIS AS AN EXCUSE TO MAKE HUGE PROFITS BY SELLING OIL AT EXORBITANT RATES. THIS MAY BE A GOOD BUSINESS STRATEGY BUT NOT A GOOD POLITICAL STRATEGY.

"ONLY THE UNITED STATES HAS BEEN SUPPORTING ISRAEL. HOLLAND IS A MINOR POWER, AND HER LIKES AND DISLIKES SHOULD NOT BE EXAGGERATED. THE ARABS' OIL POLICY HAS AFFECTED THE UNITED STATES IN A MINOR MANNER, AND THE WORST SUFFERERS ARE MAINLY THE FRIENDS AND SUPPORTERS OF THE ARABS. IS THIS THE OBJECTIVE OF THEIR STRATEGY? EVEN IN THE CASE OF THE UNITED STATES, A SHIFT IS NOTICEABLE IN HER WEST ASIA POLICY. THE GENEVA TALKS ARE PARTLY DUE TO US EFFORTS. LIKE THE SOVIET UNION, THE UNITED STATES IS ENGAGED IN RESOLVING THE WEST ASIA CRISIS ONCE AND FOR ALL. BUT FOR US PRESSURES, ISRAEL WOULD NOT HAVE PARTICIPATED IN THE TALKS. THE ARAB STATES SHOULD NOTICE THE DEVELOPMENTS IN THEIR FAVOUR AND SHOULD NOT COMMIT THE MISTAKE OF PINNING ALL THEIR HOPES ON THE USE OF OIL AS A POLITICAL WEAPON. EXCESSIVE USE OF THE WEAPON WILL BE TANTAMOUNT TO BLACKMAIL. "IF THE ARAB STATES EXAMINE THE ADVERSE EFFECTS OF THEIR OIL POLICY ON INDIA, THEY WILL KNOW HOW THEIR ALLIES ARE FACING A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 00109 031734Z

CRISIS. MR. Y.B. CHAVAN HAS SPOKEN OF THE "PROFOUND IMPLICATIONS" OF THE OIL CRISIS FOR INDIA'S BALANCE OF PAYMENTS POSITION. HER DEVELOPMENT WILL BE ASQENYUD BY THE CRISIS. SHE HAS NOT THE RESOURCES TO BUY OIL AT THE RATES QUOTED BY THE WEST ASIAN COUNTRIES. LIKE INDIA, SEVERAL OTHER DEVELOPING COUNTRIES WHO HAVE CONSISTENTLY SUPPORTED THE ARABS WILL BE THE WORST SUFFERERS. THE WEAPON AIMED AT ISRAEL AND THE UNITED STATES IS HITTINGTHE WRONG TARGETS."

MOYNIHAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM, FOREIGN RELATIONS, PRICES, EMBARGOES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NEWDE00109
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740164/aaaacicioi.tel
Line Count: 116
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2002 by elyme>; APPROVED <26 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM THE FOLLOWING EDITORIAL FROM THE NATIONAL HERALD, THE NEHRU
TAGS: ENRG, IN
To: JIDDA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005